



Comment on Proposed Rulemaking: CO2 Budget Trading Program (#7-559)

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Pennsylvania's participation in the Regional Greenhouse Gas Initiative (RGGI) would shift electric generation from fossil fuel sources to so-called green energy to avoid purported harmful effects of man-made global warming. The effects from joining RGGI would be harmful to all Pennsylvanians. RGGI would eliminate thousands of jobs in Pennsylvania's energy sector, increase the price of electricity, and render the state less prosperous with no improvement to the environment.

All of this would take place when working families and businesses are struggling to recover from a pandemic.

Lost Jobs

A 2019 report prepared by the Allegheny Conference on Community Development describes the coal industry's contribution to the Pennsylvania economy: There are more than 17,000 full-time jobs in the Pennsylvania coal industry and supporting industries, including more than 5,900 directly in the coal industry.¹ The supporting jobs are spread throughout 22 of the state's 67 counties, according to the Pennsylvania Coal Alliance.² RGGI puts most, if not all, of these jobs at risk.

Vince Brisini, director of environmental resources for Olympus Power and a former deputy secretary of the Pennsylvania Department of Environmental Protection, estimates shutting down Pennsylvania's coal-fired generation under RGGI would result in the elimination of 8,000 direct and indirect jobs, \$467 million in lost wages, and a loss of \$3 billion annually to the Pennsylvania economy.³

Compared to these very stark costs, the administration's proposal makes only a vague promise that RGGI's "[benefits include job creation and worker training](#)." In fact, tax-subsidized green energy schemes like RGGI are so prone to financial troubles that the Heritage Foundation published a few years ago a [catalog of failures](#).⁴

Higher Electricity Prices and Less Manufacturing

A Cato Institute review of the effect of RGGI on its member states presages negative consequences for Pennsylvania if the state were to join the compact.⁵

¹ Allegheny Conference on Community Development, "The Economic Impact of the Coal Industry on Pennsylvania," April 2019, https://6cf9a495-1ed4-4f48-a9b2-d11d1846c220.filesusr.com/ugd/203afb_7b00c5e318c84a9e83655fedec3afbda.pdf

² Pennsylvania Coal Alliance, <https://www.betterwithcoal.com/>

³ Interview with Vince Brisini.

⁴ Heritage Foundation, "President Obama's Taxpayer-Backed Green Energy Failures," October 2012, <https://www.dailysignal.com/2012/10/18/president-obamas-taxpayer-backed-green-energy-failures/>

⁵ David Stevenson, "A Review of the Regional Greenhouse Gas Initiative," Cato Institute 2018, <https://www.cato.org/cato-journal/winter-2018/review-regional-greenhouse-gas-initiative>

Electricity prices rose 64% more in RGGI states than in comparison states between 2007 and 2015. The price difference appears to be split between the additional cost of electricity imposed by emission allowances and indirect costs. Although Cato says it is difficult to measure the effect of RGGI on economic growth, the fact is that the economies of non-RGGI states grew 2.4 times faster between 2007 and 2015 than did those of RGGI states. RGGI states lost 34% of energy intensive businesses while non-RGGI states lost only 5%.

With respect to overall goods production, RGGI states lost 12% while non-RGGI states grew more than 20%. These effects are reflected in demand for industrial electricity, which dropped by 18% in RGGI states compared to only 4% in both non-RGGI states and in the United States as a whole.

Insignificant Temperature Change

If the depressing economic consequences of RGGI are not sufficient to dissuade its proponents, then the absence of environmental benefits should be.

Testifying before the Pennsylvania House Environmental Resources and Energy Committee, Roger Caiazza, an air-pollution meteorologist, noted the effect of Pennsylvania's participation in RGGI on so-called global warming. He calculated a reduction of approximately 0.0011°C by the year 2050 and 0.0023°C by the year 2100 (from Pennsylvania's participation in RGGI).⁶

To contend that such a minuscule—and ethereal—environmental effect is worth the cost of thousands of jobs and billions of dollars in productivity is nonsensical.

Carbon Dioxide Emissions Already Dropping

Those concerned about carbon dioxide should consider that Pennsylvania has virtually matched CO2 reductions in RGGI states largely by switching from coal to natural gas as a fuel for much of its electric generation. According to David Stevenson, director for the Center for Energy Development at the Caesar Rodney Institute, Pennsylvania's carbon emissions dropped by 40% between 2007 and 2017. Over the same period, RGGI states decreased by 41% after adjusting for the emissions RGGI states shifted elsewhere by importing electricity from other states.⁷

In addition, RGGI proponents ignore the benefits of carbon dioxide, treating the trace gas in our atmosphere as a poison rather than the life-giving substance it is.

Dr. Patrick Moore, a founding member of Greenpeace, authored a 2016 paper—"The Positive Impact of Human CO2 Emissions on the Survival of Life on Earth"—that asserts that industrial-

⁶ Roger Caiazza, testimony before the Pennsylvania House Environmental Resources and Energy Committee, September 2020, <https://pragmaticenvironmentalistofnewyork.blog/2020/09/03/my-rggi-testimony-to-the-pennsylvania-house-of-representatives-environmental-resources-energy-committee/>; Analysis based on Paul Knappenberger's "Analysis of US and State-by-State Carbon Dioxide Emissions and Potential "Savings" in Future Global Temperature And Global Sea Level Rise," Science and Public Policy Institute, April 2013, http://scienceandpublicpolicy.org/images/stories/papers/originals/state_by_state.pdf

⁷ David Stevenson, "Pennsylvania and RGGI," October 2019, https://www.commonwealthfoundation.org/docLib/20191025_CaesarRodneyAnalysisPennsylvaniaandRGGI.pdf?t=10/29/2019%209:38:34%20AM

age releases of carbon dioxide from fossil fuels may have reversed a long-term decline of the gas that threatened to bring CO2 concentrations below the level needed for plant life.⁸

Costs of Green Energy

In addition to touting nonexistent benefits of their proposal, RGGI proponents ignore the real costs of alternative energy sources such as windmills and solar panels.

For example, Mark Mills, senior fellow at the Manhattan Institute, says, “All energy-producing machinery must be fabricated from materials extracted from the earth. No energy system, in short, is actually ‘renewable’, since all machines require the continual mining and processing of millions of tons of primary materials and the disposal of hardware that inevitably wears out. Compared with hydrocarbons, green machines entail, on average, a 10-fold increase in the quantities of materials extracted and processed to produce the same amount of energy.”⁹

Not only is the cost of such a large quantity of materials an issue, but so is their availability. According to Mills, America now imports 100% of 17 key minerals used for “renewable” energy generation.

So, while energy markets have largely freed the United States from dependence on foreign sources of oil and gas, green energy requires more dependence on other countries for minerals necessary for its production.

There Is No Census on Man-Made Global Warming

The claims of RGGI supporters are rife with fallacies. None is more blatant than the claim of a consensus that man-made global warming is a catastrophic threat to the planet. This assertion was debunked, most notably by more than 31,000 scientists who signed a petition rejecting the proposition.¹⁰

Even many of those who express concern about global warming, dispute the impact of initiatives like RGGI. Among them is Michael Schellenberger, a California-based green-energy activist who hosted on his 16th birthday a fundraiser to “save” rain forests. Now middle aged and author of the 2020 book Apocalypse Never: Why Environmental Alarmism Hurts Us All, Mr. Schellenberger says, “The idea that we’re going to replace oil and coal and natural gas with solar and wind and nothing else is a hallucinatory delusion.”¹¹

Mr. Schellenberger and many others—such as author Robert Bryce—predict that fossil fuels will be a major source of energy for decades until nuclear power and perhaps other sources become dominant.¹²

Whatever the future of Pennsylvania’s energy market, it is abundantly clear that RGGI has no benefit for Pennsylvanians.

⁸ Patrick Moore, “The Positive Impact of Human CO2 Emissions on the Survival of Life on Earth,” Frontier Centre for Public Policy, June 2016, <https://fcpp.org/wp-content/uploads/2016/06/Moore-Positive-Impact-of-Human-CO2-Emissions.pdf>

⁹ Mark Mills, “Mines, Minerals, Green Energy Reality Check,” Manhattan Institute July 2020, <https://media4.manhattan-institute.org/sites/default/files/mines-minerals-green-energy-reality-checkMM.pdf>

¹⁰ The Global Warming Petition Project, <http://www.petitionproject.org/index.php>

¹¹ Michael Schellenberger, “Apocalypse Never: Why Environmental Alarmism Hurts Us All,” June 2020.

¹² Robert Bryce, “Power Hungry: The Myths of ‘Green’ Energy and the Real Fuels of the Future,” April 2011.